

## 808 KAR 10:150. Registration exemptions.

RELATES TO: KRS 292.410(1)(q)

STATUTORY AUTHORITY: KRS 292.410(1)(q), 292.500(3)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 292.500(3) authorizes commissioner to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 292. KRS 292.410(1)(q) authorizes the commissioner to exempt from KRS 292.330 to 292.390 a transaction for which the commissioner finds that registration is not necessary or appropriate in the public interest or for the protection of an investor. This administrative regulation establishes an exemption for a qualified professional service corporation from the requirements established in KRS 292.340 to 292.390.

Section 1. (1) Pursuant to KRS 292.410(1)(q), a security that is issued by a professional service corporation, a professional limited liability company, or a professional limited liability partnership and that meets the requirements established in subsection (3) of this section shall:

- (a) Be exempt from KRS 292.340 to 292.390; and
- (b) Not be required to file a claim of exemption with the office.

(2) A person who receives a commission or other remuneration in connection with a sale made pursuant to the exemption established in subsection (1) of this section shall not be relieved of compliance with the requirements of KRS 292.330.

(3) The exemption established in subsection (1) of this section shall apply if:

(a) The security is issued by a professional service corporation organized under KRS Chapter 274 or substantially similar legislation enacted in another state, a professional limited liability company organized under KRS Chapter 275 or substantially similar legislation enacted in another state, or a professional limited liability partnership organized under KRS Chapter 362 or substantially similar legislation enacted in another state that complies with the ownership and retransfer restrictions established by applicable laws;

(b) The security is sold to a professional person;

(c) The seller reasonably believes that each buyer is purchasing for investment; and

(d) Each professional is provided access to information concerning the professional service corporation or other entity. (8 Ky.R. 35; Am. 149; eff. 8-5-81; 1456; eff. 7-7-82; 9 Ky.R. 613; eff. 12-1-82; 11 Ky.R. 1912; eff. 7-9-85; 24 Ky.R. 2181; 25 Ky.R. 88; eff. 6-25-98; TAm eff. 11-7-2012; Crt eff. 2-27-2020.)